

H. J. BEAUBIEN
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MEXICO MEXI KING LONG PACY SJAN MADE QUIT BRIL RIOD BUEN
SAGO CARA WAVE GUAT [REDACTED]

PBBAND

LATIN AMERICAN WEEKLY BRIEFS (TOPIC IN SLANTS)

1. MEXICO-CUBA: MEXICO REPORTEDLY HAS AGREED TO SELL ITS ENTIRE 1963 WHEAT SURPLUS OF 275,000 TONS TO SILVIO TRICERRI, THE LOCAL PURCHASING AGENT FOR THE BLOC. TRICERRI, A PERONIST ARGENTINE NOW OPERATING OUT OF SWITZERLAND, HAS PREVIOUSLY ~~RECENTLY~~ BOUGHT FOOD IN MEXICO FOR CASTRO, AND THE PROPOSED WHEAT PURCHASE MAY ALSO BE FOR CUBA. THE SALE PRICE IS ABOVE THE WORLD-MARKET PRICE BUT BELOW THE HIGH DOMESTIC PRICE PAID TO MEXICAN GROWERS BY THE MEXICAN GOVERNMENT PURCHASING AGENCY. (COMP)

2. COSTA RICA: THE US DECISION TO SELL WHEAT TO THE SOVIET UNION IS CAUSING MANY COSTA RICANS TO FAVOR RECONSIDERATION OF THEIR COUNTRY'S NEGATIVE ATTITUDE TOWARD TRADE WITH COMMUNIST NATIONS, ACCORDING TO ~~RELIABLE SOURCE~~ IN SAN JOSE. A RECENT EDITORIAL IN LA REPUBLICA, WHICH USUALLY REFLECTS THE OPINION OF THE INCUMPT NATIONAL LIBERATION PARTY, ADVOCATED REVISING THE COUNTRY'S TRADE POLICY IN THIS RESPECT. ALSO, COSTA RICA'S CHRONIC ECONOMIC DIFFICULTIES COULD ENCOURAGE A SHIFT

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IF ATTRACTIVE TRADE OFFERS WERE POSTCOMING FROM THE COMMUNISTS, LOCAL COMMUNISTS HAVE RECENTLY AMPLIFIED THEIR ADVOCACY OF MORE TRADE WITH THE "SOCIALIST COUNTRIES." (CONT)

3. CENTRAL AMERICA: WHILE THE HONDUREAN REGIME CONTINUES TO SEEK INTERNATIONAL RECOGNITION, OTHER CENTRAL AMERICAN GOVERNMENTS ARE URGING IT TO RETURN TO AT LEAST A STABILANCE OF DEMOCRATIC GOVERNMENT UNTIL ELECTIONS CAN BE HELD. IT SEEMS QUESTIONABLE, HOWEVER, THAT THE REGIME WILL FOLLOW STRICTLY CONSTITUTIONAL PROCEDURES BECAUSE TO DO SO MIGHT MEAN INSTALLING A NEW PRESIDENT UNACCEPTABLE TO THE MILITARY.

4. GUATEMALA: ANOTHER CLANDESTINE REPORT OF COUP PLOTTING BY DISCIPLINED MILITARY ELEMENTS ASSERTS THAT THE CONSPIRATORS ARE READY TO MOVE AT ANY TIME, AND WILL USE THE PRETEXT THAT A COMMUNIST COUP IS IMMINENT. THIS APPEARS TO BE A WEAK PRETEXT IN VIEW OF THE PERALTA REGIME'S STRONG ANTI-EXTERIOR MEASURES WHICH HAVE TROWN THE COMMUNISTS INTO DISORDER. POLICE FORCES WERE PLACED ON ALERT ON 14 OCTOBER, BUT IT IS NOT CLEAR WHETHER THIS WAS PROMPTED BY RUMORS OF A COUP.

5. PANAMA: FOREIGN MINISTER SOLIS SAYS THAT HIS GOVERNMENT WILL, IN THE NEXT FEW WEEKS, AGAIN REQUEST FORMAL NEGOTIATIONS WITH THE UNITED STATES TO REVISE THE 1903 TREATY COVERING THE CANAL ZONE, WITH A

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PRESIDENTIAL ELECTION SET FOR NEXT DAY, THE CHIARI GOVERNMENT'S RAISING OF THE CANAL ZONE PROBLEM AT THIS TIME WAS INTENDED AS AN EFFORT TO KEEP THE INITIATIVE AWAY FROM ITS OPPONENTS ON THIS HIGHLY EMOTIONAL ISSUE. SOLIS ADMITTED AS MUCH BY SAYING THAT THE OPENING OF NEGOTIATIONS WOULD "KEEP THE PANAMIAN PUBLIC QUIET." (CONF)

6. DOMINICAN REPUBLIC: CONTINUING POLITICAL ISOLATION AND REPORTED COUP PLOTTING BY BOTH ITS OPPONENTS AND SOME AVOWED SUPPORTERS ARE MAKING THE NEW GOVERNMENT'S FUTURE INCREASINGLY UNCERTAIN.

TRIUNEVIRATE LEADER EMMILIO DE LOS SANTOS IS REPORTED TO BE ANXIOUS TO RESIGN ALLEGEDLY BECAUSE OF HIS DISGUST WITH "SOZIDID ACTIVITIES OF THE POLITICAL PARTIES PARTICIPATING IN THE REGIME." CIVILIAN LEADERS AND MILITARY BACKERS OF THE NEW GOVERNMENT ARE REFUSING TO RELINQUISH THEIR POWER TO JUAN CASASNOVAS, PRESIDENT OF THE DISSOLVED SENATE AND TRIED IN PRESIDENTIAL SUCCESSION UNDER THE ABROGATED CONSTITUTION, WHO CLAIMS THAT A RECENT QUORUM OF THE DEPOSED CONGRESS SECRETLY ELECTED HIM PRESIDENT. HE HAS BEEN SEEKING HEMISPHERIC RECOGNITION AS THE CONSTITUTIONAL PRESIDENT.

7. ECUADOR: TEN ECUADORIAN ARMY OFFICERS ARE TAKING A 75-DAY COURSE IN ISRAEL ON AGRICULTURAL ADMINISTRATION. THE ECUADORIANS WILL

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IMPROBABLY APPLY THE KNOWLEDGE THEY GAIN TO THE AGRARIAN REFORM PROGRAM CONTEMPLATED BY THE GOVERNING JUNTA. SINCE ISRAEL AND ECUADOR SIGNED A SHORT TECHNICAL ASSISTANCE AGREEMENT IN FEBRUARY, THE FORMER HAS PROVIDED HYDROLOGY EXPERTS AND A MISSION TO EXPLORE MEANS OF STIMULATING ECUADORIAN AGRICULTURE AND INDUSTRY. (CONT)

8. ECUADOR: THE ACTING CHIEF DIRECTOR OF THE POWERFUL CONSERVATIVE PARTY HAS REINFORCED THE PARTY'S INTENTION TO WITHDRAW ITS SUPPORT FROM THE GOVERNING MILITARY JUNTA. HE ADVOCATES THE EVENTUAL ESTABLISHMENT OF A DICTATORSHIP, EITHER CIVILIAN OR MILITARY. IN THIS CONNECTION, HE MENTIONED THE NAME OF THE AMBITIOUS DEFENSE MINISTER, GENERAL AUGUSTO MARANJO, WHO HAS BEEN CLOSE TO THE CONSERVATIVES. (CONT)

9. VENEZUELA: THE MINISTER OF DEFENSE FORESEES A BURST INCREASE IN TERRORIST ACTIVITIES. HE INTIMIDATED TO THE US AMBASSADOR ON 9 OCTOBER THAT THE ARMY IS HAVING TROUBLE SUPPRESSING VIOLENCE LARGELY BECAUSE OF THE GOVERNMENT'S PAST LAXNESS. HE WAS GLOOMY ABOUT THE FUTURE AND CRITICAL OF THE GENERAL PUBLIC'S LACK OF COOPERATION. (CONT)

10. BOLIVIA: THE POLITICAL FORTUNES OF PRESIDENT VICTOR PAZ ESTEVEZ, WHO WILL ARRIVE ON 22 OCTOBER FOR A TWO-DAY WASHINGTON VISIT, HAVE IN RECENT MONTHS STRADILY IMPROVED, AND HIS POSITION IS NOW PROBABLY

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STRONGER THAN AT ANY TIME SINCE HIS ELECTION IN 1960. SINCE THE FIRST OF THE YEAR, HE HAS SCORED GAINS AT THE EXPENSE OF HIS PRINCIPAL OPPONENTS, THE MOST POWERFUL OF WHOM STAND WELL TO THE LEFT OF HIS ADMINISTRATION, AND HAS SO FAR MANAGED TO MAINTAIN CONSISTENCY IN HIS POLICIES.

II. BRAZIL //PRESIDENT GOULART HAS SUFFERED TWO SERIOUS SETBACKS
~~-----~~ THE OVERWHELMING OPPOSITION ^{TO} ~~-----~~ OF HIS REQUEST FOR A STATE OF SIEGE WHICH FORCED HIM TO WITHDRAW HIS REQUEST AND THE CONGRESSIONAL VOTE ~~REJECTION~~ AGAINST HIS AGRARIAN REFORM CONSTITUTIONAL AMENDMENT.

GOULART'S BACKTRACKING IN THE FACE OF THE CONGRESSIONAL OPPOSITION TO HIS REQUEST FOR A STATE OF SIEGE REPRESENTS A SERIOUS BLOW TO HIS RELATIONS WITH CONGRESS. THE FLOOR LEADER OF HIS OWN LABOR PARTY IS BEING REPLACED AS A RESULT OF HIS OPEN OPPOSITION TO THE REQUEST

~~THE US EMBASSY IN BRASILIA COMMENTS THAT GOULART'S GOVERNMENT~~
~~COALITION IS IN SERIOUS DANGER OF DISSOLUTION WITH THE LABOR SOCIAL~~
~~DEMOCRATIC PARTY (PSD) AGREEING TO MEET ON 14 OCTOBER TO DISCUSS NEW~~
~~OPTIONS BREAKING WITH GOULART. ONLY 11 OF THE PRO-PSD DEPUTIES AND~~
~~FOUNDED GOULART'S AGRARIAN REFORM AMENDMENT.~~

~~US EMBASSY ALSO COMMENTS THAT CONGRESSIONAL SENTIMENT FOR~~

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IMPEACHING GOULART HAS BEEN CONSIDERABLY STRENGTHENED BY RECENT EVENTS, ALTHOUGH PERHAPS NOT TO THE POINT OF POSING AN IMMEDIATE THREAT TO HIM.

IN ARRIVING AT HIS CONCLUSION TO WITHDRAW HIS REQUEST FOR A STATE OF SIEGE, GOULART TURNED TO HIS LEFTIST BROTHER-IN-LAW LEOVIL BRIZOLA FOR ADVICE, ACCORDING TO A USUALLY RELIABLE CLANDESTINE SOURCE. THEY EXPRESSEDLY AGREED THAT GOULART SHOULD TREAT THESE AS APPEALS FOR WITHDRAWAL FROM VARIOUS GOVERNORS, MAYORS, AND STUDENT AND TEACHERS' UNIONS AS A "VOTE OF CONFIDENCE" AND THAT GOULART SHOULD CONCENTRATE ON MAINTAINING THE SUPPORT OF THE "POPULAR FORCES".

PRO-COMMUNIST MIGUEL ARRAES, GOVERNOR OF PERNAMBUCO, HAS ALREADY PUBLICLY PRAISED GOULART'S ACTION AS A "VICTORY FOR THE PROGRESSIVE FORCES."

ADDING TO GOULART'S WOES IS DISSATISFACTION IN THE MILITARY ESTABLISHMENT OVER WAR MINISTER RIBEIRO'S HANDLING OF THE REQUEST FOR THE STATE OF SIEGE. THE US ARMY ATTACHE HAS SEEN A LETTER FROM THE ARMY CHIEF OF STAFF TO RIBEIRO IN WHICH HE CASTIGATES THE WAR MINISTER FOR NOT HAVING DISCUSSED THE SITUATION WITH MILITARY LEADERS PRIOR TO URGING GOULART TO SEEK A STATE OF SIEGE. //

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12. BRAZIL // SAN TRIAGO DANTAS, A MAJOR BRAZILIAN POLITICAL FIGURE, HAS TOLD US AMBASSADOR GORDON THAT HE IS MORE PESSIMISTIC ABOUT BRAZIL THAN AT ANY TIME SINCE GOULART CAME TO POWER TWO YEARS AGO.

DANTAS, WHO WAS BOTH FOREIGN AND FINANCE MINISTER IN GOULART'S CABINET, SAID THAT WHILE PLEASED WITH THE B WITHDRAWAL OF THE STATE OF SIEGE REQUEST, HE FELT THAT THE EPISODE HAS FURTHER UNDERRINED CONFIDENCE IN THE VIABILITY OF THE ~~XXXXX~~ INSTITUTIONAL STRUCTURE OF THE COUNTRY. HE BELIEVES IT HAS LAID THE BASIS FOR FURTHER POLARIZATION OF POLITICAL OPINION.

DANTAS THINKS THAT THE PRINCIPAL REASON GOULART WITHDREW THE REQUEST WAS THE MASSIVE OPPOSITION FROM THE "SO-CALLED POPULAR FORCES," BY WHICH HE MEANT LEFTIST EXTREMISTS, WHO PROBABLY FELT THAT THE STATE OF SIEGE MIGHT BE USED TO TAKE ACTION AGAINST THEM. (BUO) //

13. YUGOSLAVIA - LATIN AMERICA - NONALIGNED STATES // MEMBERS OF TITO'S ENTOURAGE CONSIDER THAT HIS RECENT VISITS TO BRAZIL, CHILE, AND BOLIVIA WERE FAILURES ACCORDING TO A USUALLY RELIABLE CLANDESTINE SOURCE. THEY WERE EXTREMELY PLEASED BY HIS ~~XXXXX~~ RECEPTION IN MEXICO, HOWEVER, APPARENTLY BECAUSE OF THE CONSIDERABLY LARGER PUBLIC TURNOUT. TITO REPORTEDLY CAUSED SOME CONSTERNATION AMONG DELEGATES

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FROM THE NONALIGNED STATES AT THE UN BY HIS REMARKS IN LATIN AMERICA
 THAT THE CONCEPT OF BLOCS AND NONALIGNED STATES HAS BEEN SUPERSEDED
 BY A NEW DIVISION OF THE WORLD INTO STATES WORKING FOR "PEACEFUL CO-
 EXISTENCE" AND THOSE AGAINST IT. //

14. THE LATIN AMERICAN FREE TRADE ASSOCIATION: THE LATIN AMERICAN FREE TRADE ASSOCIATION (LAFTA) IS CURRENTLY IN SESSION TO NEGOTIATE A SIXTH THIRD ROUND OF TARIFF REDUCTIONS ON INTRA-REGIONAL TRADE. THE LAFTA TREATY ENVISAGES THE ELIMINATION OF TARIFFS ON "SUBSTANTIALLY ALL" INTRA-REGIONAL COMMERCE BY 1972 AND INDICATES THAT IT THIS WILL BE A STEP ^{TO} TOWARD THE EVENTUAL FORMATION OF A CONTINENTAL COMMON MARKET. THE PROSPECT HAS NOT ONLY STIRRED THE IMAGINATIONS OF ECONOMISTS AND BUSINESSMEN. IT HAS SPARKED THE INTEREST OF POLITICAL LEADERS, WHO PERCEIVE POSSIBILITIES OF DEVELOPING LAFTA AS A VITAL FORCE FOR EXTENDING LATIN AMERICAN INFLUENCE IN WORLD COMMERCIAL COUNCILS.

END OF MESSAGE

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Miller / 5-20-74

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